

Supporting Statement
OMB Control Number 1506-0006
Reports by Casinos and Card Clubs of Suspicious Transactions

1. Circumstances Necessitating Collection of Information

The statute generally referred to as the “Bank Secrecy Act,” Titles I and II of Public Law 91-508, as amended, codified at 12 U.S.C. 1829b, 12 U.S.C. 1951-1959, and 31 U.S.C. 5311-5332, authorizes the Secretary of the Treasury, among other things, to require financial institutions to keep records and file reports that are determined to have a high degree of usefulness in criminal, tax, and regulatory matters, or in the conduct of intelligence or counter-intelligence activities, to protect against international terrorism, and to implement anti-money laundering programs and compliance procedures.¹ Regulations implementing Title II of the Bank Secrecy Act appear at 31 CFR Chapter X. The authority of the Secretary to administer the Bank Secrecy Act has been delegated to the Director of the Financial Crimes Enforcement Network (FinCEN).

On September 26, 2002, FinCEN, which has been delegated authority to administer the Bank Secrecy Act, published a final rule requiring casinos and card clubs to file reports of suspicious transactions (SAR).² The filing of a SAR is necessary to prevent and detect the laundering of money and other funds at casinos and card clubs.

Casinos and card clubs are required to retain a copy of the any SAR filed, as well as any supporting documentation for the filed SAR, for five years. See 31 CFR 1021.320 and 31 CFR 1010.430. These documents are necessary for criminal investigations and prosecutions.

2. Method of Collection and Use of Data.

Information about suspicious transactions conducted or attempted by, at, through, or otherwise involving casinos or card clubs, are collected through the filing of a SAR with FinCEN. FinCEN provides on-line access to the information collected to Federal regulators and appropriate law enforcement agencies. FinCEN and law enforcement agencies use the information on SARs and the supporting documentation retained by the casinos and card clubs for criminal investigation and prosecution purposes.

3. Use of Improved Information Technology to Reduce Burden.

By using FinCEN’s computerized filing system (BSA E-filing), a casino or card club can reduce the time required for its compliance staff to complete the report. Discrete (“fill-in”) and batch versions are available on the FinCEN BSA E-File web site at <http://bsaefiling.fincen.treas.gov/main.html>.

¹ Language expanding the scope of the Bank Secrecy Act to intelligence or counter-intelligence activities to protect against international terrorism was added by Section 358 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001, P.L. 107-56.

² See 67 FR 60722, September 26, 2002.

4. Efforts to Identify Duplication.

There is no similar information available; thus, there is no duplication.

5. Methods to Minimize Burden on Small Businesses or Other Small Entities.

The design of the SAR is such that only the fields normally associated with the filing institution are displayed. This design minimizes the time required to complete the report and thus the impact on small businesses.

6. Consequences to the Federal Government of Not Collecting the Information.

With the automated SAR reporting system, the casino and card club regulators, law enforcement, and industry alike benefit from improved detection of financial crime, analysis of trends, and coordination of investigative efforts. If SARs were no longer required, law enforcement and regulatory efforts to fight crime and protect the safety and soundness of casinos and card clubs would be severely hampered.

7. Special Circumstances Requiring Data Collection Inconsistent with Guidelines.

The reporting of suspicious activity on a SAR may occur more frequently than quarterly, depending on the frequency of the activity. For reasons explained in paragraph 6 above, this information must be reported in a timely manner to enable law enforcement to take appropriate investigative action. Records must be kept more than 3 years because substantive violations of the law that may be indicated by the activity reported on the SAR are generally subject to statutes of limitations longer than 3 years.

8. Consultation with Individuals Outside of the Agency on Availability of Data, Frequency of Collection, Clarity of Instructions and Forms, and Data Elements.

On September 18, 2014, FinCEN issued a notice and request for comment to renew without change this regulatory requirement (See 79 FR 56123). We received one comment in response to the Federal Register notice. The comment suggested enhancements to the unified SAR and was not directed at the subject of this notice, the renewal without change to the SAR regulation. The commenter recommended adding a check box to Part II of the SAR's Suspicious Activity Section labeled "Engaging in Offsetting Betting Patterns." The SAR report currently provides a field for filers to report this type of suspicious activity in Item 31z (Other).

9. Payments or Gifts.

No payments or gifts were made to respondents.

10. Assurance of Confidentiality of Responses.

Information provided to the government on the SAR is expressly prohibited from disclosure under 31 U.S.C. 5318(g)(2), and the participating agencies' Privacy Act notices make clear that the system of records is intended for the official use of law enforcement and bank regulators. Appropriate system security safeguards have been put in place to protect against unauthorized access.

11. Justification of Sensitive Questions.

There are no questions of a sensitive nature in the collection of information. Any personally identifiable information collected under the BSA is strictly controlled as outlined in the FinCEN's Systems of Records Notice http://www.fincen.gov/foia/files/FinCEN_79_FR_20969.pdf.

12. Estimated Annual Hourly Burden.

The administrative burden of 1 hour is assigned to maintain the regulatory requirement in force. The burden for actual reporting is reflected in OMB Control number 1506-0065.

13. Estimated Annual Cost to Respondents for Hourly Burdens.

Not applicable.

14. Estimated Annualized Cost to Federal Government.

Not applicable.

15. Reasons for change in Burden.

There is no change in burden.

16. Plans for Tabulation, Statistical Analysis and Publication.

Not applicable.

17. Request not to Display Expiration Date of OMB Control Number.

To avoid having to reprint the form just to show a new date, FinCEN is requesting permission not to display the OMB expiration date on the SAR form.

18. Exceptions.

There are no exceptions to the certification statement.